

REGIONAL ECONOMIC PERFORMANCE IN CANADA
ONTARIO BACKGROUND PAPER

15TH ANNUAL
PREMIERS' CONFERENCE
SEPTEMBER 12-13 1974



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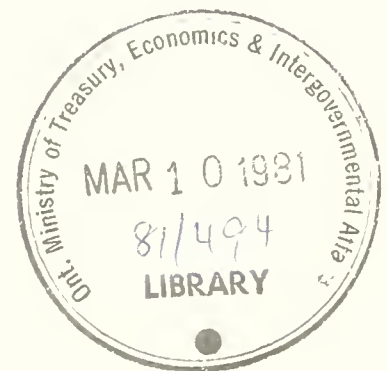


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Ministry of Treasury, Economics
and Intergovernmental Affairs

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SUMMARY

A major focus of economic policy is the overall level and quality of economic growth. Future policy development, however, may centre increasingly on the relative performance of particular regions within the overall economy. This paper provides a statistical comparison of regional economic performance in Canada over the period 1951-1971. It includes an extensive review of data concerning income, investment, employment, population, and industrial structure. The basic focus is on long term historical trends. The bulk of the data covers the period between two census years, 1951 and 1971, the latter year providing the most up-to-date comparable data on an extensive regional basis. However, in the case of cost of living comparisons, this paper presents more recent figures.

For the country as a whole, real economic growth has compared favourably with other western industrialized economies. The fastest growing regions, in terms of economic activity and population, have been British Columbia and Ontario.*

Regional economic disparities and imbalances continue to exist in Canada.

- . Unemployment levels vary widely, with the Atlantic region normally having an unemployment rate about two to three times that recorded on the Prairies.

* For an international perspective on Ontario and Canadian economic development, see Hon. John White, "Ontario Finances", Ontario Budget 1974 (Toronto: Ministry of Treasury, Economics and Intergovernmental Affairs, 1974).

- . 1971 personal income per capita in the Atlantic region was about 72 per cent of the national average.
- . About 80 per cent of manufacturing employment is in Ontario and Quebec.

However, the gap has been narrowing. Ontario and British Columbia have declined in terms of their relative amount of income per capita, while still exceeding the national average. Both the Maritimes and Quebec have improved their relative positions. On the other hand, the Prairies have moved from above to below the national average, although high farm and other resource revenues, since 1971, have improved the relative position of the Prairies.

Income

Significant shifts have occurred in the composition of income received by individuals within the regions over the 1951-71 period. In relative terms, income from farm production has declined in all regions. For example, in 1951 farm production accounted for about 33 per cent of income in the Prairie region, but only 8 per cent by 1971. Similarly income from non-farm, unincorporated businesses has fallen in all regions. Income from salaries and wages now accounts for at least 63 per cent of the income of all regions, with the most substantial upward shift occurring on the Prairies. Government transfer payments have increased significantly in all areas, accounting for 10 per cent or more of regional income.

Investment

The improved relative position of the Atlantic region can be related to rapid growth in the level of capital investment, particularly in the areas of manufacturing, utilities and housing. Over the period under examination, capital expenditures grew at the rate of over 10 per cent in the Atlantic region, compared with a national average growth rate of 6 per cent. This growth rate in capital expenditures in part reflects the impact of government initiated capital investment projects.

Industry and Employment

Manufacturing, which provided jobs to approximately one-fourth of the Canadian labour force during the sixties, is concentrated in central Canada. In comparison, natural resource industries, which employ 9 per cent of Canada's labour force, have been increasingly concentrated in the West.

The high rate of capital investment in the Atlantic region has had a direct impact on the growth of manufacturing activity and employment. While manufacturing employment declined in Ontario and Quebec over the period 1966-71, it increased in the Atlantic region, as well as in British Columbia and the Prairie provinces. However, in terms of value added, Ontario and British Columbia remain the highest.

With the exception of Quebec and Ontario, all regions increased their relative share of production with respect to primary industries. The contribution of the Prairie provinces to primary industry output rose to 41 per cent in 1971, reflecting an increase in the volume of petroleum, natural gas and nickel production.

Between 1961 and 1971, employment growth was highest in British Columbia, at 4.9 per cent, compared with a national average of 2.9 per cent. The Prairies and the Atlantic region had the slowest rate of employment growth at 2 per cent.

Population

Population growth in Canada has reflected general economic activity in the regions. Since 1951, Ontario and British Columbia have had the highest growth rates, although in the case of Ontario the rate declined during the period from well over 3 per cent to about 2 per cent.

By 1971, the population growth in all regions declined to an annual rate of about 1.5 per cent. In 1971, the Atlantic and Prairie regions had the highest birth rates, while Quebec had the lowest. The level of immigration, which largely influences population growth, has been highest in Ontario and lowest in the Atlantic region.

All regions have experienced a significant population shift to urban areas. By 1971, over 80 per cent of the Quebec-Ontario population was classified as "urban" (living in a town of more than 1,000 people). Comparable figures for the Atlantic and Prairie regions, and British Columbia were 56, 67 and 76 per cent respectively.

1. OVERVIEW OF REGIONAL TRENDS

Between 1951 and 1971, Canada's Gross National Product¹ increased by 163 per cent in constant dollar terms. The most rapid expansion of the Canadian economy occurred from 1961 to 1966, during which time GNP increased at an annual rate of 6.4 per cent in real terms. The slowest growth period was from 1956 to 1961 when the economy was expanding at an annual rate of 2.8 per cent.

Personal Income

Personal income² is one of the best available indicators of regional economic activity. Between 1951 and 1971, Ontario and British Columbia increased their relative contribution to Canada's total personal income while that of the Atlantic and Prairie regions decreased. The proportion of Quebec's contribution to the national total increased slightly.

-
1. Gross National Product is a measure of the market value of all final goods and services produced in a given period by Canadian factors of production.
 2. Personal income measures the final result of economically productive activity. It is used in this report since Gross Provincial Product figures for some regions are not published. However, trends in personal income closely approximate trends in GPP.

PERSONAL INCOME: REGIONAL DISTRIBUTION
AND GROWTH

Table 1

	Per Cent of Canada			Average Annual Growth Rate (%)	
	1951	1961	1971	1951-61	1961-71
Atlantic Region	7.3	7.2	6.8	5.9	8.8
Quebec	24.3	26.0	24.8	6.7	8.8
Ontario	38.8	40.5	41.6	6.5	9.6
Prairies	19.4	15.7	15.4	3.8	9.1
British Columbia	9.9	10.3	11.1	6.4	10.1
Canada	100.0	100.0	100.0	6.0*	9.3*

Source: Statistics Canada, National Accounts

Note: * Includes the Yukon and Northwest Territories

Economic growth in Ontario and British Columbia is closely related to population and labour force growth. Per capita statistics show that the interregional gap has narrowed (see Table 2). Personal income per capita in the Atlantic region grew from 63 to about 72 per cent of the national average, reflecting an annual growth rate slightly higher than the national average. In the Prairies, the level fell significantly from 1951 to 1961, but since then it has reflected a higher than average growth rate. The relative shares of both Ontario and British Columbia have declined.

PERSONAL INCOME PER CAPITA BY REGION

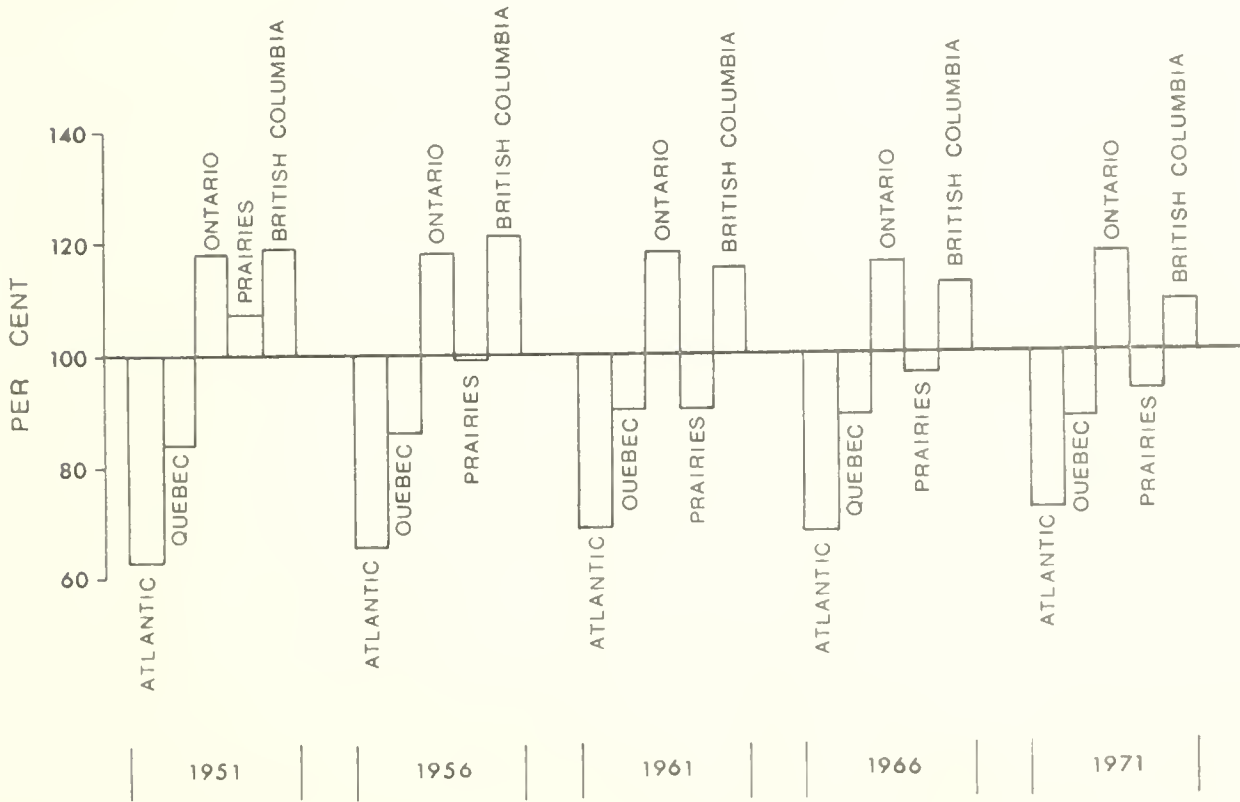
Table 2

	Current \$			Canada = 100.0			Average Annual Growth Rate (%)	
	1951	1961	1971	1951	1961	1971	1951-61	1961-71
Atlantic Region	755	1,138	2,443	63.0	68.9	71.7	4.2	7.9
Quebec	1,007	1,488	3,027	84.0	90.1	88.9	4.0	7.4
Ontario	1,418	1,954	3,967	118.3	118.4	116.5	3.3	7.3
Prairies	1,279	1,484	3,185	106.7	89.9	93.5	1.5	7.9
British Columbia	1,429	1,897	3,719	119.2	114.9	109.2	2.9	7.0
Canada	1,199	1,651	3,405	100.0	100.0	100.0	3.3	7.5

Source: Statistics Canada, National Accounts

CHART 1

INTERREGIONAL COMPARISON OF REGIONAL PERSONAL INCOME PER CAPITA (CANADA = 100%)



The disparity in regional personal income per capita is partly explained by the varying utilization of regional manpower as reflected in Table 3. The Atlantic region had the smallest proportion of the population employed, while Ontario had the highest.

POPULATION AND EMPLOYMENT, 1971

Table 3

	Population (000)	Employment (000)	Employment as a % of Population
Atlantic Region	2,057	618	30.0
Quebec	6,028	2,197	36.4
Ontario	7,703	3,079	40.0
Prairies	3,542	1,338	37.8
British Columbia	2,185	847	38.8
Canada	21,568	8,079	37.5

Source: Statistics Canada (Cat. No.71-001)
Census of Canada

Once the low participation rate in the Atlantic region is taken into account, it can be seen that the differences in average earnings per employee for the various regions are less than the differences in personal income per capita. In the Atlantic region and the Prairies, average earnings per employee have risen to over 80 per cent of the national average, as compared to below 75 per cent in 1951. At the same time the relative figures for British Columbia and Ontario declined and are now closer to the national average. It should be understood that this is not a measure of economic well-being since earnings per employee tend to vary inversely with the participation rate.

LABOUR FORCE DISTRIBUTION BY REGION
AND AVERAGE EARNINGS

Table 4

	Labour Force		Average Earnings per Employee Canada = 100.0	
	1951	1971	1951	1971
Atlantic Region	9.8	7.8	74.6	82.1
Quebec	28.0	27.7	95.8	92.8
Ontario	35.8	37.6	117.1	113.7
Prairies	18.2	16.2	73.4	83.3
British Columbia	8.3	10.6	126.2	105.1
Canada	100.0	100.0	100.0	100.0

Source: Statistics Canada (Cat. No.71-001 and 72-005).

Table 5 shows shifts in the source of personal income within each of the regions. It indicates that:

- . labour income accounted for approximately two-thirds of personal income in all regions in 1971;
- . the largest increase in labour income as a proportion of total personal income occurred in the Prairies indicating a shift in employment from agriculture to non-agricultural industries;
- . net income of farm operators accounted for a significantly smaller proportion of total personal income in 1971 compared with 1951;
- . government transfer payments have constituted an increasingly large proportion of total personal income in all regions; the payments ranged from 10 per cent of total personal income in Ontario to over 17 per cent in the Atlantic region.

COMPONENTS OF PERSONAL INCOME AS A PERCENTAGE
OF TOTAL PERSONAL INCOME BY REGION, 1971 AND 1951

Table 5

	Labour	From Farm Production	From Unincorporated Business	Interest, Dividends and Investment	Government Transfer Payments	Total
Atlantic Region						
1971	64.6	0.6	7.6	5.5	17.2	100.0
1951	62.2	5.6	13.6	5.2	9.7	100.0
Quebec						
1971	71.0	0.9	7.1	7.5	12.4	100.0
1951	68.7	5.9	10.8	6.8	6.7	100.0
Ontario						
1971	72.4	0.9	7.7	8.1	9.6	100.0
1951	68.2	6.6	11.5	7.5	4.7	100.0
Prairies						
1971	65.2	7.2	8.0	7.3	11.8	100.0
1951	43.5	32.9	11.9	4.0	6.0	100.0
British Columbia						
1971	69.7	1.0	8.6	8.3	11.0	100.0
1951	65.4	3.6	13.9	7.5	7.8	100.0
Canada						
1971	69.8	2.0	7.7	7.7	11.3	100.0
1951	67.9	11.2	11.8	6.5	6.1	100.0

Source: Statistics Canada, National Accounts

The Distribution of Employment

An important indication of regional economic performance is the distribution of employment. Economic policies have traditionally concentrated on increasing the regional diversification of employment and the number of highly skilled jobs. The next table compares total population and employment in each of the regions for 1971.

POPULATION AND EMPLOYMENT BY REGION, 1971
(Per Cent of Canada)

Table 6

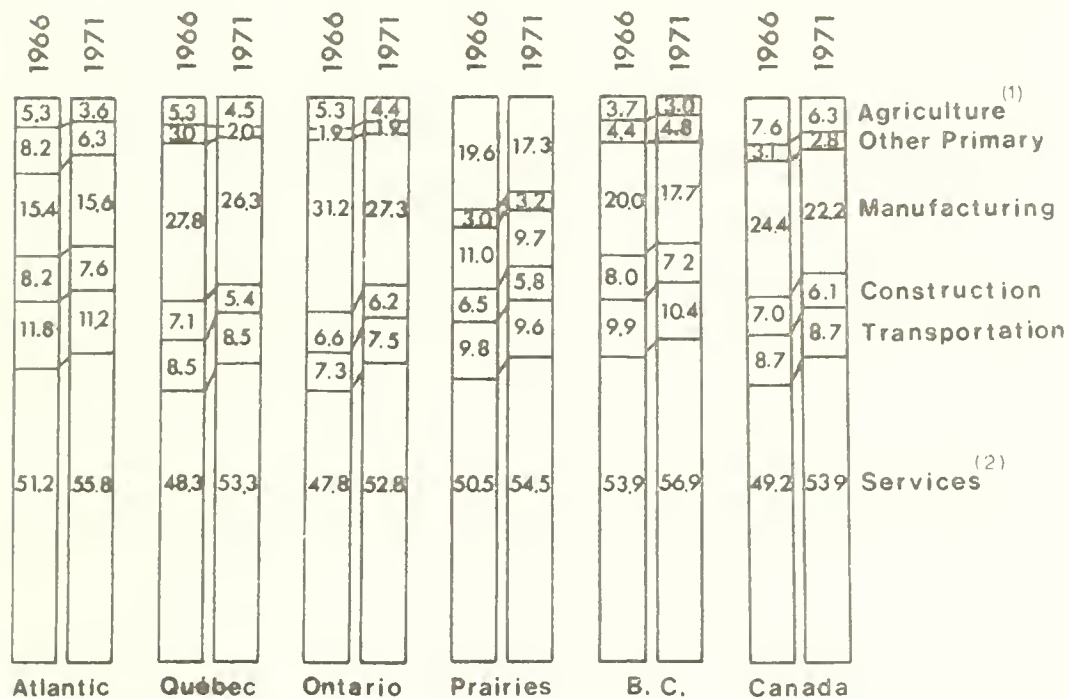
	Population	Employment
Atlantic Region	9.5	7.6
Quebec	27.9	27.2
Ontario	35.7	38.1
Prairies	16.4	16.6
British Columbia	10.1	10.5
Canada	100.0	100.0

Source: Statistics Canada (Cat. No.71-001)
Census of Canada

Further information on general population and employment trends is contained in subsequent sections of this report. This section shows the diversification of employment and recent trends.

The following chart shows the distribution of employment within each region and the change from 1966 to 1971.

CHART 2
DISTRIBUTION OF EMPLOYMENT WITHIN REGIONS



(1) Excludes Newfoundland

(2) Includes community business and personal service, trade, public administration and finance insurance and real state

The bulk of employment in every region is in the service industry and this concentration is growing. In the non-service area, the regional economies tend to be specialized. However, over the five year period the importance of agriculture in the West and manufacturing in Ontario has declined. In the Atlantic region the proportion of manufacturing jobs has increased.

The next table shows the regional share of industrial employment in each major sector. It indicates that over 75 per cent of manufacturing and construction employment is concentrated in Ontario

and Quebec. The Prairies account for the largest proportion of employment in primary industries. Service industry employment is distributed in approximate proportion to the regional labour force share (see Table 4).

INDUSTRIAL EMPLOYMENT, 1971
(Per Cent of Canada)

Table 7

	Primary Industries	Manufacturing and Construction Industries	Service Industries
Atlantic Region	8.3	6.3	8.2
Quebec	19.3	30.4	26.9
Ontario	26.1	45.0	36.7
Prairies	37.3	9.1	16.9
British Columbia	9.0	9.2	11.3
Canada	100.0	100.0	100.0

Source: Statistics Canada (Cat. No.71-001)

Manufacturing

Manufacturing merits special attention since this sector provides a diversified and productive economic base and employment opportunities.

In 1971, Canada's value of shipments of own manufacture reached the \$50 billion mark. Ontario and Quebec together accounted for 79.7 per cent of the total Canadian shipments; Ontario for 52.2

per cent and Quebec for 27.5 per cent. British Columbia was responsible for 8.4 per cent, the Prairies for 8.0 per cent and the Atlantic region for 3.8 per cent.

The number of manufacturing employees in Canada declined at an average annual rate of 0.3 per cent over the 1966 to 1971 period compared with an annual increase of 4.0 per cent from 1961 and 1966. Quebec and Ontario exhibited declining growth rates in manufacturing employment while British Columbia and the Atlantic and Prairie Regions registered small increases during the 1966-71 period.

MANUFACTURING SHIPMENTS AND EMPLOYMENT,
1966 AND 1971

Table 8

	Shipment of Goods of Own Manufacture		Total Employment	
	% of Canada 1971	Average Annual Growth Rate 1966-71	% of Canada 1971	Average Annual Growth Rate 1966-71
Atlantic Region	3.8	6.6	4.6	0.7
Quebec	27.5	5.7	31.2	-0.3
Ontario	52.2	6.2	49.1	-0.5
Prairies	8.0	6.5	7.1	0.5
British Columbia	8.4	6.7	7.9	0.7
Canada	100.0	6.1	100.0	-0.3

Source: Statistics Canada (Cat. No.31-203)

Comparison of productivity measures in terms of value added per employee gives some insight into the performance of each region in the manufacturing sector.³ Reflecting the capital intensive nature of manufacturing activity in Ontario and British Columbia, these regions are above the national average.

MANUFACTURING VALUE ADDED PER EMPLOYEE

Table 9

	\$			Canada = 100.0		
	1961	1966	1971	1961	1966	1971
Atlantic Region	6,517	8,095	10,166	80.6	77.2	71.5
Quebec	7,322	9,588	12,596	90.6	91.4	88.5
Ontario	8,694	11,226	15,645	107.6	107.1	110.0
Prairies	8,072	10,090	13,603	99.9	96.2	95.6
British Columbia	8,582	11,087	14,791	106.2	105.7	104.0
Canada	8,082	10,486	14,227	100.0	100.0	100.0

Source: Statistics Canada (Cat. No.31-203)

Investment

Capital spending is an indicator of the investment base which will, in part, determine future economic activity.

3. Value added, which is equivalent to total wages, interest and rent paid, plus the profit or loss earned, is sometimes referred to as net output or net production.

The breakdown of capital spending by region shows that between 1966 and 1971 the Atlantic region had the fastest rate of investment growth while the Prairies had the slowest.

CAPITAL EXPENDITURES

Table 10

	Per Cent of Canada			Average Annual Growth Rate (%)
	1961	1966	1971	1966-71
Atlantic Region	7.6	8.0	9.3	10.1
Quebec	24.6	22.8	20.6	3.6
Ontario	34.2	34.9	37.0	8.0
Prairies	22.7	20.9	17.9	2.2
British Columbia	11.0	13.5	15.3	8.1
Canada	100.0	100.0	100.0	6.1

Source: Statistics Canada (Cat. No.61-205)

AVERAGE ANNUAL GROWTH RATES IN CAPITAL EXPENDITURES BY SECTOR, 1966 TO 1971 (Per Cent)

Table 11

	Primary Industries Construction	Manufacturing	Utilities	Trade Finance and Commercial Services	Housing	Institutional Services and Government Departments
Atlantic Region	9.1	18.7	11.7	5.7	20.6	0.0
Quebec	12.1	-2.9	-1.6	-6.2	9.2	11.4
Ontario	3.3	2.4	14.0	10.4	13.3	5.2
Prairies	-2.6	5.0	4.4	3.9	12.4	0.5
British Columbia	19.8	4.2	0.0	11.4	14.0	4.9
Canada	4.3	3.0	6.0	4.9	12.7	5.1

Source: Statistics Canada (Cat. No.61-205)

Price Movements

Comparable price indices are available only for selected cities. The increase in the cost-of-living index since 1961 was highest in Toronto and lowest in Saskatoon-Regina. The fastest rising component in the indices has been food prices. The increase in food prices since 1961 was largest in Vancouver and lowest in St. John's, Newfoundland, while the advance in housing costs was highest in Toronto and least in Saskatoon-Regina.

CONSUMER PRICE INDEX, 1973
(1961 = 100)

Table 12

	All Items	Food	Housing
St. John's, Newfoundland	140.4	150.1	129.7
Halifax	140.1	159.0	128.7
St. John, New Brunswick	140.5	160.5	126.0
Montreal	140.2	158.0	124.3
Toronto	144.0	158.5	131.3
Winnipeg	142.0	158.0	125.0
Saskatoon, Regina	135.8	157.1	120.9
Edmonton, Calgary	141.8	161.3	127.9
Vancouver	141.0	164.1	127.0

Source: Statistics Canada (Cat. No.62-002)

One reason that the housing component of the Consumer Price Index has risen less than the figure for all items since 1971 is that until 1973 only rents were included. House prices have recently

been rising at a rapid rate. According to the Multiple Listing Service Sales Statistics, house prices in Canada rose an average of 22 per cent in 1973. The percentage changes for individual cities during that year varied substantially, from 5 per cent in Montreal to 32 per cent in Vancouver.

Even more dramatic is the difference in average house prices between the regions. House prices are generally lowest in the Prairies (\$19,802 in Saskatoon), and highest in the large urban centres (\$44,105 in Toronto and \$41,505 in Vancouver).

II. POPULATION

Canada's population increased by 54 per cent between 1951 and 1971. The most rapid expansion occurred from 1951 to 1956 when the population expanded at an annual rate of 2.8 per cent. Since then the rate of growth has been decelerating.

British Columbia recorded the largest population growth rate among the regions. By 1971, the growth rate in all regions, except Ontario and British Columbia, had fallen to less than one per cent. There is a wide diversification in the Prairie provinces, with Alberta having the second fastest population growth rate of all provinces, while Saskatchewan's population decreased in absolute terms.

POPULATION

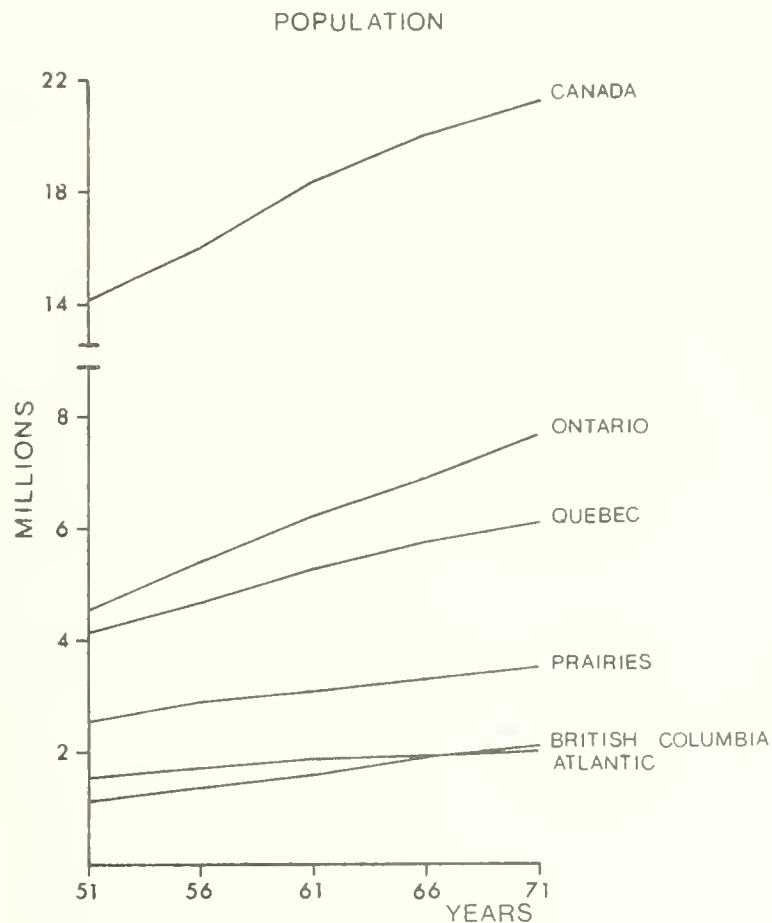
Table 13

	<u>% of Canada</u>	<u>Average Annual Growth Rate (%)</u>			
	1971	1951-56	1956-61	1961-66	1966-71
Atlantic Region	9.5	1.7	1.5	0.8	0.8
Quebec	27.9	2.7	2.6	1.9	0.8
Ontario	35.7	3.3	2.9	2.2	2.0
Prairies	16.4	2.3	2.2	1.2	0.9
British Columbia	10.1	3.7	3.1	2.8	3.1
Canada*	100.0	2.8	2.5	1.9	1.5

Source: Census of Canada

Note: * Canada's total includes the Yukon and Northwest Territories

CHART 3



Urban-Rural Distribution

In 1971, 76 per cent of the population of Canada lived in "urban" areas.⁴ The degree of urbanization in the provinces, as measured by the portion classified as urban, ranged from 82 per cent in Ontario to 38 per cent in Prince Edward Island.

4. All cities, towns and villages of 1,000 and over, whether incorporated or not, were classed as urban, as well as the urbanized fringes of (a) cities classed as metropolitan areas, (b) those classed as other major urban areas, and (c) certain smaller cities if the city together with its urbanized fringe was 10,000 population or over. The remainder of the population was classed as rural.

URBAN POPULATION (Per Cent of
Total Population)

Table 14

	1951	1961	1971
Atlantic Region	46.6	49.8	55.9
Newfoundland	42.7	50.7	57.2
P.E.I.	25.1	32.4	38.3
Nova Scotia	55.3	54.3	56.7
New Brunswick	42.6	46.5	56.9
Quebec	67.0	74.3	80.6
Ontario	73.4	77.3	82.4
Prairies	44.8	57.6	67.0
Manitoba	56.6	63.9	69.5
Saskatchewan	30.4	43.0	53.0
Alberta	48.0	63.3	73.5
British Columbia	70.8	72.6	75.7
Canada	62.9	69.6	76.1

Source: Census of Canada

In 1971, although slightly over three-quarters of the Canadian population was urbanized, only two provinces surpassed the national level of urbanization -- Ontario with 82 per cent and Quebec with 81 per cent. British Columbia and Alberta ranked close to this level with almost 76 per cent and 74 per cent respectively. In all five major regions (and all provinces except Prince Edward Island) over 50 per cent of the population lived in urban areas. The largest advance of urbanization was made in the Prairie region with an increase of 22.2 percentage points between 1951 and 1971.

POPULATION PER SQUARE MILE

Table 15

	1961	1971
Newfoundland	3.2	3.6
Prince Edward Island	47.9	51.1
Nova Scotia	36.1	38.7
New Brunswick	21.6	23.0
Quebec	10.0	11.5
Ontario	17.6	21.8
Manitoba	4.4	4.7
Saskatchewan	4.2	4.2
Alberta	5.4	6.6
British Columbia	4.7	6.3
Canada	5.1	6.1

Source: Census of Canada

Demographic Characteristics

The following tables show age composition, births, deaths and immigration. Highlights are:

- . general decline in birth and death rates;
- . relatively high birth rates in the Atlantic and Prairie regions, but lower proportion of working age people; Quebec had the lowest birth rate;
- . over half of all immigration concentrated in Ontario.

AGE COMPOSITION OF THE POPULATION, 1971
(Per Cent)

Table 16

	0-14	15-64	65+	Total
Atlantic Region	32.7	58.9	8.3	100.0
Quebec	29.6	63.5	6.9	100.0
Ontario	28.7	63.0	8.4	100.0
Prairies	30.5	60.7	8.7	100.0
British Columbia	27.9	62.7	9.4	100.0
Canada	29.6	62.3	8.1	100.0

Source: Census of Canada

BIRTH AND DEATH RATES

Table 17

	Birth Rate*			Death Rate*		
	1951	1961	1971	1951	1961	1971
Atlantic Region	29.4	28.7	20.1	9.0	7.8	7.7
Quebec	29.8	26.1	14.8	8.6	7.0	6.8
Ontario	25.0	25.3	16.9	9.6	8.2	7.4
Prairies	27.0	27.1	18.2	8.0	7.3	7.3
British Columbia	24.1	23.7	16.0	10.0	8.8	8.1
Canada	27.2	26.1	16.8	9.0	7.7	7.3

Source: Statistics Canada (Cat. No.84-201)

Note: * Births and Deaths per 1,000 population.

IMMIGRATION

Table 18

Region of Intended Destination	<u>Per Cent of Canada</u>		
	1951	1961	1971
Atlantic Region	2.0	2.9	3.2
Quebec	23.7	23.6	15.8
Ontario	53.9	50.9	52.8
Prairies	12.9	12.1	12.6
British Columbia	7.4	10.2	15.5
Canada	100.0	100.0	100.0

Source: Statistics Canada (Cat. No.11-505)

III. EMPLOYMENT TRENDS

This section documents basic regional employment trends. Employment has been growing faster than population during the last ten years in all the regions. The fastest growth occurred in Ontario and British Columbia which increased their shares of total employment in Canada between 1951 and 1971. Quebec had a slight drop in relative total employment, while the Atlantic and Prairie regions experienced growth rates below the national average.

EMPLOYMENT				Table 19	
	Per Cent of Canada			Average Annual Growth Rate (%)	
	1951	1961	1971	1951-61	1961-71
Atlantic Region	9.6	8.4	7.7	0.3	2.0
Quebec	27.9	27.3	27.2	1.5	2.9
Ontario	36.1	37.5	38.1	2.1	3.1
Prairies	18.3	18.2	16.6	1.7	2.0
British Columbia	8.2	8.7	10.5	2.4	4.9
Canada	100.0	100.0	100.0	1.7	2.9
Source: Statistics Canada (Cat. No.71-001)					

The Canadian unemployment rate rose in the years immediately preceding 1971 reflecting economic slowdown and a high rate of labour force growth. The following chart illustrates that from 1951 to 1961 regional unemployment disparities widened, but since 1961 the differences have narrowed. However, significant disparities remain.



Participation Rates

The participation rate represents the labour force as a percentage of the population fourteen years of age and over. The most notable aspects of the changing pattern of labour force participation in the 1961-71 decade, nationally, are the marked increases in the rates for females, declines in the rates for males, and growth in the overall rate.

PARTICIPATION RATES*

Table 20

	<u>Both Sexes</u>		<u>Male</u>		<u>Female</u>	
	1961	1971	1961	1971	1961	1971
Atlantic Region	48.1	48.1	73.1	67.1	23.7	29.5
Quebec	52.8	54.9	79.9	75.5	26.5	34.6
Ontario	56.7	58.3	82.1	77.8	31.9	39.4
Prairies	55.6	57.0	80.5	77.0	29.5	36.7
British Columbia	51.8	57.2	76.6	77.6	27.0	37.0
Canada	54.1	56.1	79.8	76.1	28.7	36.5

Source: Statistics Canada (Cat. No.71-001)

Note: * Labour force as a percentage of the population 14 years and over.

The Canadian male participation rate declined from 80 per cent in 1961 to 76 per cent in 1971, mainly as a consequence of later entry into the labour force and earlier retirement. On the other hand, participation rates for women increased from 29 per cent to 37 per cent. The changing attitudes towards employment of women, changing work patterns of married women and the growth of job opportunities in the expanding service sector of the economy were mainly responsible for this trend.

These rates varied considerably across regions. The Atlantic region had the lowest participation rate, while Ontario had the highest rate. The largest change in total participation occurred in British Columbia, which also had the largest increase in the female participation rate and was the only region to exhibit a positive change in the male participation rate.

APPENDIX
INDUSTRIAL STATISTICS

Industrial Production

The distribution of production varied widely among the regions. The Prairies, with abundant flat land and mineral-rich resources, were responsible for 41 per cent of Canada's output in the primary sector including electrical power in 1971. The primary sector is comprised of agriculture, forestry, fishing, trapping and mining. While approximately 27 per cent of Canada's agricultural output was produced in Saskatchewan and 39 per cent of the national production of the mineral industry was contributed by Alberta in the Prairies, the Atlantic region, with its proximity to the Atlantic seaboard, provided Canada with 60 per cent of its fishing output and British Columbia contributed 51 per cent of its forestry production.

Manufacturing industries are concentrated in Quebec and Ontario, provinces with large populations and easy access to markets. The two provinces were responsible for 81 per cent of Canada's manufacturing output in 1971. Ontario was the major producer in the construction industry.

CENSUS VALUE ADDED IN GOODS-PRODUCING
SECTOR (Per Cent of Canada)

Table 21

	Primary Industries Including Electric Power		Manufacturing		Construction		Total Goods- Producing Sector	
	1961	1971	1961	1971	1961	1971	1961	1971
Atlantic Region	6.4	6.9	3.8	3.3	7.7	9.6	5.3	5.5
Quebec	17.2	16.2	30.6	27.9	23.7	21.8	26.1	23.8
Ontario	31.9	23.0	50.3	53.3	33.2	35.5	42.0	42.4
Prairies	36.6	41.3	7.1	6.9	24.2	18.6	16.7	17.7
British Columbia	7.2	11.2	8.3	8.6	11.1	14.5	9.7	10.4
Canada*	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: * Canada's total includes the Yukon and Northwest Territories.

Source: Statistics Canada (Cat. No. 61-202)

The table illustrates that the Prairies increased their share of Canada's primary industries' output from 37 per cent in 1961 to 41 per cent in 1971. During the same period, Ontario increased its contribution to Canada's manufacturing production from 50 to 53 per cent and its share of the national output in construction from 33 to 36 per cent.

Agriculture

Over the period 1961-71, the largest increases in farm cash receipts occurred in Quebec and British Columbia, registering gains of 65.8 per cent and 63.6 per cent respectively.

The share of each region in Canada's total cash receipts was remarkably similar in 1961 and 1971, although the size of the Prairie wheat crop resulted in some sharp changes from year to year.

FARM CASH RECEIPTS, 1961 AND 1971					Table 22
	Farm Cash Receipts (\$ Million)		Per Cent of Canada		Per Cent Change
	1961	1971	1961	1971	1971/61
Atlantic Region	108.34	153.27	3.8	3.4	41.5
Quebec	417.50	692.26	14.4	15.4	65.8
Ontario	872.53	1,385.45	30.2	30.8	58.8
Prairies	1,354.58	2,043.10	46.9	45.5	50.8
British Columbia	134.98	220.82	4.7	4.9	63.6
Canada	2,887.92	4,494.90	100.0	100.0	55.6
Source: Statistics Canada (Cat. No.11-505)					

Mining

The Canadian mining industry achieved impressive growth during the last decade. The annual rate of growth of the industry averaged 9 per cent from 1961 to 1966 and 8.4 per cent from 1966 to 1971. Canada's mining industry rests upon a handful of minerals among the many produced. Petroleum with natural gas, nickel, copper, iron ore and zinc together contributed almost 71 per cent of the total Canadian mineral output in 1971. Table 23 shows the regional breakdown of the production of these mineral products.

PRODUCTION VALUE OF SELECTED MINERAL INDUSTRIES,
1971 (Per Cent of Canada)

Table 23

	Petroleum (Crude Oil & Condensate)	Natural Gas	Nickel	Copper	Iron Ore	Zinc
Atlantic Region	-	-	-	3.4	52.2	14.6
Quebec	-	-	0.3	25.7	20.0	14.0
Ontario	0.2	1.8	73.0	41.8	24.5	29.3
Prairies	95.0	87.5	26.3	9.2	-	2.7
British Columbia	4.7	10.6	0.4	19.5	3.3	12.2
Canada*	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics Canada (Cat. No.26-201).

Note: * Canada's total includes Yukon and Northwest Territories

In 1971, total petroleum (crude oil and condensate) production in Canada was valued at \$1,357 million, of which 95 per cent was produced in the Prairies where Alberta accounted for 78 per cent and Saskatchewan for 16 per cent of the total Canadian production of petroleum. The Prairies' contribution to Canadian production of natural gas was 88 per cent of the total, with Alberta accounting for 85 per cent of Canada's total.

Canada is the world's largest producer of nickel. Approximately 73 per cent of Canada's nickel production in 1971 was mined in Ontario and 26 per cent in the Prairies. Ontario also dominated the copper and zinc industry while Newfoundland, in the Atlantic region, led the field in the iron ore industry.

Construction

The level of construction activity in a region is indicated by the amount of capital expenditures on new construction during a given period. The construction industry demonstrated substantial growth of investment in all regions from 1961 to 1971, after a period of almost no growth from 1956 to 1961. The largest yearly advance, from 1966 to 1971, occurred in British Columbia and the Atlantic region. Within the Atlantic region, Newfoundland increased its construction investment by 18 per cent annually. Saskatchewan showed a decline in construction activity and, as a result, the annual rate of increase in the Prairies was 3.2 percentage points below the national average.

CONSTRUCTION INVESTMENT

Table 24

	Per Cent of Canada	Average Annual Growth Rate (%)		
	1971	1956-61	1961-66	1966-71
Atlantic Region	9.2	5.1	11.4	10.3
Quebec	21.4	1.9	9.5	5.3
Ontario	35.1	0.1	11.5	8.6
Prairies	18.7	2.3	9.1	4.2
British Columbia	15.7	-4.4	15.8	10.9
Canada	100.0	0.8	11.0	7.4

Source: Statistics Canada (Cat. No.61-205)

Retail Trade

The trend in retail trade is one of the best indicators of the economic well-being of a nation. In 1971, retailers in Canada absorbed 51.7 per cent of personal disposable income and 56.8 per cent of total personal expenditure on consumer goods and services. The value of retail sales in Canada rose to \$30,646 million in 1971, an increase of 35.1 per cent over the level recorded in 1966. Ontario accounted for 39 per cent of the total retail sales in Canada; Quebec for 25 per cent; British Columbia for 12 per cent; the Prairies for 16 per cent and the Atlantic region for 8 per cent. The highest rate of increase in retail trade over the 1966-71 period was registered by British Columbia, while the lowest growth occurred in the Prairies.

RETAIL TRADE

Table 25

	Per Cent of Canada	Average Annual Growth Rate (%)	
	1971	1961-66	1966-71
Atlantic Region	8.3	6.1	6.4
Quebec	25.1	7.4	5.5
Ontario	38.7	6.8	6.6
Prairies	16.1	6.6	5.2
British Columbia	11.8	9.3	7.7
Canada	100.0	7.1	6.2

Source: Statistics Canada (Cat. No.11-505)

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